

**Commodity Specifications and Standards Review
Industry Comments and USDA Responses on
Group B Products**

| Comments from Industry on Group B Products | | USDA's Responses |
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| 1. | <p>Quick Cooking Rolled Oats (oatmeal): There is no standard commercial pack size for oatmeal –each manufacturer uses its own (3-lb. bag, etc.).</p> | Our pack sizes for rolled oats are 50 lb. bags, 12/42 oz. tubes, and 12/3 lb. pkgs. Although no changes in pack size were suggested by industry, we are interested in hearing feedback from our customers and partners on this issue. |
| 2. | Milled Rice | |
| <i>2a.</i> | <p><i>Pack Sizes:</i> Domestic commercial pack sizes vary from customer to customer – Industry uses the following sizes: 30 lb., 48 lb., and 60 lb. sizes.</p> <p>Our standard for shipping is 30 2-lb. containers but USDA requires 24 2-lb.</p> <p>No problems-Our standard is 12/2 lbs., 24/2 lbs., and 25 lb. bags.</p> <p>No problems-Our standard sizes are 1 lb., 2 lb., 10 lb., 25 lb., 50 lb., and 100 lb.</p> <p>No problems-The predominant commercial size is 12/2 lb., 24/2 lb., or 25 lb.</p> | Although industry sizes vary, the majority of commercial suppliers use pack sizes that match our requirements (50 lb. bags, 25 lb. bags, and 24/2 lb. packages). As a result, we do not plan to change our current pack sizes. We will reexamine this issue should industry standards change in the future. |
| <i>2b.</i> | <p><i>Broken Content:</i> The commercial standard is usually based on appearance (i.e., package quality, hard milled with a specific broken count) while the USDA standard is based on Federal Grain Inspection Service certificate requirements. Most top-quality domestic rice only allows for a 4% broken content while USDA allows a 7% broken content.</p> <p>The commercial standard (U.S. No. 1) allows a maximum 4% broken while USDA standard (U.S. No. 2 or better) allows for a maximum</p> | We currently procure U.S. No. 2 or better grade rice which allows a 7% broken content. Some vendors also use FGIS standards for their commercial customers. We would be interested in receiving customer feedback on whether we should purchase only U.S. No. 1 grade rice with 4% (or less) broken content. |

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| | <p>7% broken.</p> <p>Predominant commercial grade is US No. 1 or US No. 2.</p> | |
| 2c. | <p><i>Packaging Materials:</i> USDA's special paper and polyethylene packaging strength requirements are "overkill." Polypropylene is not affected.</p> | <p>We now purchase rice in standard commercial packaging materials; so this is no longer an issue. We would be interested in knowing if the use of standard commercial packaging is meeting customer needs.</p> |
| 2d. | <p><i>Labels:</i> Commercial labels are more expensive. Using a premium commercial brand for packages in the USDA Food Aid program could conflict with commercial marketing efforts.</p> | <p>We plan to move forward with giving manufacturers the option to use commercial labels on USDA commodities. Use of commercial labels should lessen delivery delays caused by the need for special commodity runs, encourage more bidders, and reduce program costs.</p> |
| 2e. | <p><i>Enriched vs. Non-Enriched:</i> Commercial rice is non-enriched while USDA requires enriched rice.</p> | <p>Most commercial rice sold in the U.S. is enriched per FDA requirements. We plan to keep this enrichment requirement because nutrition is a central goal of USDA's domestic commodity assistance programs.</p> |
| 3. | Flours/Cornmeal/Farina: | |
| 3a. | <p><i>Pack Sizes:</i> USDA pack sizes for yellow cornmeal and all purpose flour conform to those in the commercial market.</p> <p>50 lb. size for corn masa is OK.</p> <p>USDA pack sizes for all purpose flour, whole wheat flour, and bakers hard wheat flour conform to those in the commercial market - 4/10 lb., 8/5 lb, 25 lb., 50 lb., and 100 lb.</p> | <p>Our yellow cornmeal sizes are 4/10 lb. bags and 8/5 lb. bags.</p> <p>Our all purpose flour sizes are 50 lbs., 4/10 lb. bags, and 8/5 lb. bags.</p> <p>Our whole wheat flour sizes are 4/10 lb. and 50 lb. bags.</p> <p>Our bakers hard wheat flour sizes are "bulk", 100 lb. and 50 lb. bags.</p> <p>Although no changes in pack sizes for flours/cornmeal/farina were suggested by industry, we are interested in hearing feedback from our customers and partners on whether these sizes adequately meet their needs.</p> |
| 3b. | <p><i>Labels:</i> Stay with USDA labels for yellow cornmeal and all purpose flour, as they are less expensive than commercial counterparts.</p> | <p>We believe that giving vendors the option to use commercial labels for commodities will lessen delivery delays caused by the need for special</p> |

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| | | commodity runs, encourage more bidders, and reduce program costs. Therefore, we plan to continue to give manufacturers the option to use commercial labels on USDA commodities. |
| 3c. | <p><i>Testing:</i> With regards to testing for masa flour:</p> <ul style="list-style-type: none"> • USDA requires testing for ash content—commercial does not because it has no bearing on product. • USDA tests each lot prior to shipment—commercial performs random microbial testing on a monthly or weekly basis. • USDA tests for functionality by mixing with water—commercial does not. | <p>Unlike standard commercial yellow masa corn flour, our specifications will only allow for a maximum ash content of 2.2 percent. In addition, each lot must be tested for moisture, granulation, fat, and pH prior to receiving a USDA “Certificate of Analysis.” We feel these tests are necessary to ensure a quality product for our customers.</p> <p>We will, however, continue looking into what is “customary commercial practice” for testing yellow masa corn and are interested in hearing from our customers on this issue.</p> |
| 3d. | <p><i>Malted Barley vs. A. Amylase:</i> USDA only allows malted barley flour to be used as a supplement in all-purpose flour, whole-wheat flour, and bakers hard wheat flour while commercial also allows the use of an A. Amylase enzyme preparation.</p> | <p>The references in the USDA specification that allow for only malted barley flour will be deleted because we now purchase flour under both commodity and commercial brand specifications. We used to allow only malted barley flour because the Federal Grain Inspection Service (FGIS) did not have equipment that could test for A. Analyase. FGIS no longer tests USDA commodity flour.</p> |
| 4. | <p>Wheat Farina: The only difference between commercial and USDA is in the packaging-but we plan to continue to use the USDA packaging specifications.</p> | <p>Our current pack size for farina is 24/14 oz. Although no pack size changes were suggested by the industry for farina, we are interested in hearing feedback from our customers and partners on this issue.</p> |
| 5. | <p>Butter: Industry uses 1 lb. solid, 68 lb. bulk and 25 kg. bulk pack sizes.</p> | <p>Our butter comes in 36/1 lb. solid. We have chosen 25 kg. as our bulk pack size should purchases of bulk be needed for price support purposes because this size also meets possible future export needs. We are interested in hearing feedback from our customers and partners on whether current sizes adequately meet their needs.</p> |

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| 6. | Cheese | |
| 6a. | <p><i>Tower Barrel Technology:</i> USDA packaging requirements for barrel cheddar do not take into account the new “tower barrel” technology that reduces free whey and better distributes moisture:</p> <ul style="list-style-type: none"> ● The corrugated octagonal barrel is more common commercially because the flute can be altered to provide additional strength. ● The product is vacuum-sealed in the liner creating more “headspace” between it and the barrel, which would currently cause it to be rejected by USDA. | <p>We now allow cheese produced under the new “tower barrel” technology for purchases specifically made for domestic food assistance programs.</p> <p>For price support purchases, we believe round fiber drum barrels rather than corrugated octagonal barrels should be required for the product due to the long-term storage needs of price support products.</p> <p>USDA Announcements for domestic food assistance programs do not have a headspace requirement, but purchases made under price support do have such a requirement. This requirement allows for better stacking under long-term storage conditions. We would be willing to consider a corrugated octagonal barrel for price support purchases if one could be found that had characteristics similar to the round fiber drum.</p> |
| 6b. | <p><i>Labels:</i> USDA's container and marking requirements for block cheddar and barrel cheese purchased under price support are different than commercial.</p> | <p>We now allow commercial labels on cheese that is specifically purchased for the domestic nutrition assistance programs. Although we will continue to request special markings/containers as necessary for price support purchases so that we can meet long-term storage needs, we will also allow the use of commercial marking and containers when feasible.</p> |
| 6c. | <p><i>Nutrition analysis:</i> Nutritional analysis for block cheddar and barrel cheese should be based on the Agricultural Handbook 8-1 (U.S. Dairy Export Council-Section 8).</p> | <p>Our nutritional analysis requirements for block cheddar and barrel cheese are based on 21 CFR Part 133 and U.S. Grading Standards. We are interested in receiving feedback on whether these standards should continue to be used.</p> |
| 6e. | <p><i>Lab Testing:</i> Commercial specifications for block cheddar and barrel cheese include microbiological parameters, in particular for coliform and E. coli.</p> | <p>We are in the process of reviewing the microbiological parameters outlined in our purchase announcements and are interested in additional feedback from our customers and partners on microbial parameters and pH.</p> |

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| | The final determinant should be the grade of the product—not its pH. | |
| | <p>More labs are needed throughout the nation for testing block cheddar and barrel cheese that is purchased under price support—the current testing time takes too long. USDA should set up a system for approving labs similar to the one it uses for approving dairy plants.</p> <p>Commercial uses their own labs for testing of process cheese.</p> <p>USDA can speed up testing results by sending them back to the vendor electronically instead of via the U.S. mail. Sending things electronically would speed up testing timeframes considerably.</p> | <p>Except for price support purchases, vendors have the option of using either commercial labs or USDA labs for testing cheese. Additionally, those which are approved under Total Quality Systems Audits (TQSA) are allowed to use their own in-house labs. For price support purchases, we require testing to be done by USDA labs due to the special conditions that price support commodities can be subjected to. We are interested in receiving feedback on how well the USDA labs are doing.</p> <p>USDA wants to do as much of its business electronically as feasible and is interested in receiving additional feedback from its customers and partners on how to speed up test results.</p> |
| 6f. | Payment Speed: USDA should consider using electronic Notices to Deliver and make its payments electronically where possible rather than using the U.S. mail. | Notices to Deliver are generally issued within 2 days of the contract date. Dairy payments are made approximately 8 days after a complete invoice package is received in the Kansas City Commodity Office. USDA wants to do as much of its business electronically as feasible and is interested in receiving additional feedback on this issue. |
| 6g. | <i>Shelf Life:</i> USDA requires a 150 day shelf-life for shredded cheddar while the industry standard is 90 days. | We feel that the 150-day shelf-life requirement is necessary because the distribution systems of individual State and school districts in the school lunch program are often slower than those in the retail sector. We would particularly be interested in hearing from State agencies and local school districts on this topic. |
| 6h. | <i>Fat Content.</i> Full-fat cheese is the industry standard for most cheese—not reduced fat. | We are providing reduced fat cheese as an alternative to full fat to assist school food service departments in balancing the fat content of their meals, which, unlike meals cooked by the general public, must address specific nutritional and dietary requirements. We |

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| | | would be interested in hearing from school food service departments on this issue. |
| 6i. | <p><i>Inspection Requirements:</i> Get rid of the on-line and end line USDA inspection requirement for block and shredded cheddar (full/reduced fat), and unfrozen mozzarella. It is expensive and severely restricts production scheduling by forcing companies to run production according to the availability of USDA inspectors. TQSA, HACCP, Vendor Certification, and other quality guidelines are adequate.</p> <p>Commercially processed cheese is not required to be USDA certified unlike commodity cheese.</p> <p>Expedite the completion of Grading Certificates so that offers can be made—most transactions take months to complete.</p> | USDA implemented Total Quality Systems Audits (TQSA) in July 2002 for all non price-supported commodities, except for process cheese, which will be integrated into the TQSA system in the near future. This should address vendors' concerns with USDA's inspection and grading requirements. |
| 6j. | <p><i>Minimum Age:</i> A ten-day minimum age for reduced-fat and full-fat cheddar cheese should work well.</p> <p>When using the tower barrel technology a 10-day minimum age for most cheeses should be all that is necessary to ensure quality. Block cheddar, and perhaps some other block cheeses might still need 20 days for full flavor development.</p> | We have reviewed the suggestion to decrease the age of cheese from 20 days to 10 days and believe it is necessary to keep the 20-day minimum age. We believe that cheese needs to be about 20 days old before its quality can be adequately determined. |
| 7. | <p>Nonfat Dry Milk: We use ADPI specifications. Our standard is usually 50 lb. or 25 kg. bags.</p> | <p>Our pack sizes for nonfat dry milk are a 25 kg. bag, chosen because it also has the potential to be used for export.</p> <p>We use the "Standards of Identity" for our commodity nonfat dry milk, except that we require a lower moisture level (3.5%) due to the likelihood of long-term storage.</p> |

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| | | We are interested in receiving feedback from our customers on whether our pack sizes for nonfat dry milk are meeting customer needs. |
| 8. | Infant Formula: USDA has done a good job—no suggestions for change. | Although industry has no suggestions for change in the specifications and standards for infant formula, we would still be interested in hearing any suggestions from our customers on infant formula. |

Key Links

- E-mail your comments and ideas to the USDA Commodity Specification Review Team at: FDD-PST@FNS.USDA.GOV
- Commodity Specification Review Home Page: www.fns.usda.gov/fdd/caps/groupb-comments.htm
- FD Web site: www.fns.usda.gov/fdd